

31 July 2017

Australian Securities Exchange (**ASX**)
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

QUARTERLY ACTIVITIES REPORT

Wangle Technologies Limited (Wangle or the Company) (ASX:WGL) is pleased to provide the following activities report for the quarter ending 30 June 2017.

HIGHLIGHTS

- Appointment of Professor Donna Cross to the Board as NED
- Development and marketing resources focused on Wangle Family Insites (WFI) product development which is on track for Q3 launch
- Pricing of WFI to be \$10/month family subscription which is competitive in market
- Signed distribution and marketing agreements with key partners including Constable Care Child Safety Foundation, Student Edge, MediaHeroes
- Successfully launched Wangle Mobile VPN (VPN) which has been independently verified as offering the best in market VPN for speed
- Rolled out a robust and scalable global server and network infrastructure across Amazon Web Services that will form the backbone of the Company's core product suites, Wangle Family Insites (WFI) and Wangle Enterprise Mobile (WEM)
- Achieved 20,000 VPN downloads at an extremely efficient cost per download demonstrating the marketing capabilities and scalability of the backbone network
- The strength of the VPN backbone rollout reinforces the Company's focus towards the WFI and WEM product suites which the Company believes have significant international potential

UPDATE – WANGLE FAMILY INSITES (WFI)

The Company is fully focused on addressing the important social issue of child safety on the internet. With key issues including cyber bullying, online predators, the distribution of inappropriate content and the general safety and well-being of children on the internet, cyber safety of our children is an international problem that is accelerating across the globe.

Competitive parental control solutions attempt to block and filter what our children are doing online but with limited effectiveness as children are often able to work around such restrictions. Furthermore, blocking solutions provide no real insight into the risks posed by other internet users during a critical period of childhood development.

Wangle has concentrated on using data signals to identify risks and provides dashboards designed to educate parents on their children's online behaviour and encourages open dialogue with children by directing them to relevant content as a resource in these often difficult but important conversations.

Our unique partnership with Telethon Kids Institute has helped shape the way that we are able to identify key behaviours and over time Wangle intends to share anonymised data back to Telethon Kids Institute and the greater research community to provide valuable quantitative data to help continue our fight to keep children safe online.

As such we are making it our mission "to keep children safe by open and transparent dialogue".

Development progress of the WFI product has been strong with key milestones reached on the threat matrix development, big data management, online user experience and app interface. Closed group user testing across a sample of families is about to commence with the official launch planned for later in the quarter.

Marketing plans are well in place with additional marketing partners coming onboard to ensure the launch is executed professionally. Further details on launch planning will be released in coming weeks.



UPDATE – WANGLE MOBILE VPN

After a period of testing and network optimisation, the Wangle Mobile VPN was launched in late April to both Android and Apple app stores with a \$5 monthly subscription and 30 day free trial period. Marketing investment centred on launch PR, App Store Optimisation, and performance marketing via Google and Apple networks.

Optimisation of marketing activity reduced the Cost Per Download from an estimated \$15 CPD to \$3 CPD after an initial period of testing, with the target of 20,000 downloads achieved by the end of the quarter.

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The underlying network handled over 35,000 user sessions and the transfer of 7.4 Terabytes of data, proving the robustness of the underlying platform, a key precursor for the upcoming launch of WFI.

While the Conversion Rate data after the 30 day free trial period from free trial to paying subscriber has initially been lower than anticipated, the Company expects to review the user experience and pricing model following the launch of WFI to take advantage of the synergies between the products.

FINANCIAL UPDATE

Since the end of the quarter, the Company has arranged for lodgement of claims for refundable offsets under the Federal Government's Research and Development Tax Incentive Scheme (**R&D Scheme**).

Tax Advisor Maxim Hall Chadwick has assisted Wangle in identifying circa \$2.7 Million in eligible expenditure within the 2016 / 2017 financial year. Under the R & D Scheme, 43.5% of this eligible expenditure can be claimed as refunds, being circa \$1.2 Million which is to be paid back to the Company as cash. These refunds are expected to be received in the coming weeks.

Upon receipt, the Company will have circa \$2.1 Million in cash assets available to implement its marketing plan and pursue the successful commercialisation of Wangle Family Insites due for release this quarter.

- ENDS -

For further information, please contact:

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ABOUT WANGLE FAMILY INSITES

Wangle Family Insites (WFI) offers parents a unique approach to ensuring the safe use of the internet by children and teenagers. By utilising Wangle's world class VPN network, backed by the research insights of childhood development research organization Telethon Kids Institute, WFI monitors mobile network patterns in real time and advises parents of potential threats as well as providing greater details and resources to parents on the threats identified.

ABOUT WANGLE TECHNOLOGIES

Wangle Technologies has developed patented algorithms that not only optimise, compress and secure the data flow to mobile devices, but facilitate real time analysis of network patterns and usage behaviours. Wangle's technology provides compelling value to consumers, service providers and enterprises looking for innovative low cost solutions for managing network capacity and use.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Wangle Technologies Limited

ABN

80 096 870 978

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter (Jun 2017) \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(734)	(2,552)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(134)	(168)
(d) leased assets	-	(34)
(e) staff costs	(41)	(162)
(f) administration and corporate costs	(149)	(782)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	57
1.5 Interest and other costs of finance paid	(2)	(14)
1.6 Income taxes paid	-	-
1.7 Government tax incentives (R&D Rebate)	490	680
1.8 Other (ATO GST Refund)	(24)	173
1.9 Net cash from / (used in) operating activities	(587)	(2,802)

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2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	(4)	(10)
	(e) other non-current assets	(5)	(10)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(9)	(20)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	475
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	475

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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,490	3,240
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(597)	(2,802)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	475
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	893*	893

** As announced on 19 July 2017, the Company expects to receive a cash payment of circa \$1.2M under the Federal Government Research & Development Tax Incentive Scheme, in the coming weeks.*

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter (Jun 2017) \$A'000	Previous quarter (Mar 2017) \$A'000
5.1	Bank balances	893	205
5.2	Call deposits	-	1,285
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	893*	1,490

** As announced on 19 July 2017, the Company expects to receive a cash payment of circa \$1.2M under the Federal Government Research & Development Tax Incentive Scheme, in the coming weeks.*

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	88
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of director's fees, rent, administration expenses and reimbursements.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
-	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
-		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	667
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	128
9.4 Leased assets	15
9.5 Staff costs	20
9.6 Administration and corporate costs	119
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	949

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
Company Secretary

Date: 31 July 2017

Print name: Loren A. King

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.